

# Section 4

## Human Capital Standard

Strategic Alignment  
Our human capital strategy is aligned with our mission, goals, and organizational objectives, and integrated into our strategic plans, performance plans, and budgets.



## Our Human Capital Standards for Success and Strategic Initiatives

### Strategic Alignment Progress

In FY 2001, DOL began a coordinated workforce analysis and planning effort. Under this program, DOL accomplished the following major initiatives:

- ▶ Established the Management Review Board (MRB) in July 2001. The MRB meets monthly to coordinate action on management issues and oversee PMA progress. The MRB reviews, among other things, human capital initiatives so that it can coordinate DOL-wide action on these initiatives.
- ▶ Launched a new performance management system in August 2001, focusing on results.
- ▶ Created a “management cross-cut” fund in the FY 2003 budget. This fund supports coordinated initiatives in furtherance of the PMA’s human capital objectives. To date, this fund has supported succession planning programs and development of competency models for mission-critical positions.
- ▶ Included human capital goals in its annual GPRA plans since FY 2001.
- ▶ Submitted a workforce analysis, as well as individual agency restructuring plans, to OMB in August 2001.
- ▶ Developed agency “scorecards” in 2002 to track PMA progress. The individual agency scorecards are modeled after the OMB scorecard.

### Strategic Initiatives

**A.1 We will develop and regularly update the Human Capital Strategic Plan to support our business goals and strategies.**

DOL’s Human Capital Strategic Plan provides a framework for a DOL-wide approach to meeting human capital challenges. The Plan brings together, in one document, strategic initiatives to meet the challenges presented by increasing retirement rates, loss of institutional knowledge, and changing skill requirements.

DOL’s Plan includes an action plan setting forth accountability criteria, timeframes, and milestones, as well as a metrics plan incorporating specific success measures. DOL will update these plans annually to keep abreast of progress and changing business needs.

In order to promote a common framework for human capital initiatives within DOL’s agencies, DOL will distribute the Strategic Plan and updates to all managers.

**A.2 We will maintain DOL-wide support for human capital initiatives through a management cross-cut budget initiative.**

In future budgets, DOL intends to include a management cross-cut budget to support human capital initiatives in furtherance of the PMA. Annually, DOL will review funded projects’ performance and will evaluate new funding requests. DOL will consider both DOL-wide and individual agency funding requests. The extent to which a project can be transferred across the Department will be a key factor in selecting projects for funding. ■

## Workforce Planning and Deployment Progress

### Restructuring

DOL has made progress in delayering and restructuring its organization. For example, DOL has accomplished the following:

- ▶ Streamlined operations and moved processes closer to the customer. For example, DOL reduced the number of regions and offices, consolidated functions, eliminated duplicative management positions, and improved processes to be more focused on the customer. (The DOL restructuring plan outlines these initiatives.)
- ▶ Reduced the number of supervisors by 10.5 percent since FY 1996, increasing the supervisory ratio from 5.5 to 6.6 in FY 2002. DOL agencies adopted various strategies for reducing the number of supervisors, including converting supervisors to team leaders, consolidating regions, and eliminating duplicative positions.

In FY 2003, DOL prepared an updated restructuring and delayering plan. This plan focuses on DOL's remaining restructuring needs and leverages opportunities to streamline as turnover occurs and workloads change.

DOL has made substantial progress through the following actions:

- ▶ Combined divisions and redirected supervisory positions to front-line activities.

- ▶ Closed more than a dozen underutilized offices or one-person duty stations.
- ▶ Consolidated field office locations, often co-locating staff in Federal buildings.
- ▶ Consolidated its public affairs function.

To facilitate restructuring, including needs created by competitive sourcing initiatives, DOL established a Career Transition Assistance and Placement Program. This DOL-wide program establishes policy and procedures for retraining employees in new skills and placing employees in positions for which they are qualified.

### e-Government

DOL strongly supports e-Government initiatives, and has demonstrated results using technology to transform its human resources services. DOL also supports partnering with other Federal agencies to reduce costs on human capital e-Government projects. DOL has used technology to improve human resources processes in the following ways:

- ▶ Launched WebPARS, a system that enables managers to electronically initiate and complete personnel actions from their own desktops.
- ▶ Implemented an analytical reporting tool that allows DOL to produce timely, accurate and relevant human resource information for a wide variety of customers. For example, DOL now provides agency heads regular "at-a-glance" reports about their workforce-

## Human Capital Standard

We are citizen-centered, delayered and mission-focused, and we leverage e-Government and competitive sourcing.

Workforce Planning and Deployment



## Our Human Capital Standards for Success and Strategic Initiatives

that help them develop workforce plans.

- ▶ Implemented PeopleTime, an integrated commercial off-the-shelf (COTS) payroll and time and attendance system.
- ▶ Populated successfully OPM's e-Clearance System, one of the 24 e-Government initiatives outlined in the PMA; and
- ▶ Partnered with OPM on four human capital-related e-Government initiatives: recruitment one-stop, e-Training, e-Payroll, and Enterprise Human Resource Integration (EHRI).

### Strategic Initiatives

#### **B.1 We will complete five-year restructuring and consolidation initiatives.**

DOL's restructuring plan includes action milestones, as well as commitments to continue restructuring and delayering as opportunities and changing work needs allow. DOL will update and evaluate the restructuring plan semi-annually as part of its agency scorecard reviews.

DOL plans to restructure as follows:

- ▶ Further streamline and consolidate regional structures. (For example, by 2005 ETA plans to consolidate ten regions into six.)

- ▶ Where practicable, co-locate all DOL offices at the same geographic location. (For example, by FY 2005 six agencies in Jacksonville, Florida, will share common space.)
- ▶ Re-deploy positions no longer needed due to technology. (For example, by 2007 BLS will re-deploy employees currently occupying obsolete clerical/technical positions.)
- ▶ Further reduce the number of small offices. (For example, as of FY 2003, ESA closed 15 underutilized one-person duty stations.)

#### **B.2 We will issue additional guidance to managers to help them respond to personnel changes caused by competitive sourcing and restructuring initiatives.**

In FY 2004, DOL will provide guidance to all managers about implementing the Career Transition Assistance and Placement Program.

#### **B.3 We will enhance DOL's workforce planning and analysis capability.**

- ▶ DOL will create an electronic human capital information source ("dashboard") to enable managers to access and use current DOL workforce data, in areas such as diversity, retirement eligibility, performance appraisal results and awards.

- ▶ DOL will use electronic EHRI analytical reporting tools to acquire improved human capital forecasting capability and enhance its workforce planning efforts.

#### **B.4 We will implement DOL-wide e-Government initiatives to manage our human capital strategically.**

- ▶ DOL will deploy an electronic recruitment tool that seamlessly integrates with the recruitment one-stop initiative, accepts on-line applications, automates rating and ranking of candidates, and produces electronic certificates to managers.
- ▶ DOL will incorporate an automated classification tool that works with the electronic recruitment tool.
- ▶ DOL will continue to partner with OPM on four e-Government initiatives: recruitment one-stop, e-Training, e-Payroll and EHRI.
- ▶ DOL will continue to develop RegionNet, its consolidated regional intranet website, to disseminate information efficiently to DOL employees. ■

## Leadership and Knowledge Management

### Progress

#### Succession Planning

Due to the demographics of its workforce, DOL needs a strategic approach to succession planning, particularly in management positions. Current estimates indicate that 64 percent of DOL's Senior Executive Service and 54 percent of supervisory/managerial staff in GS grades 13-15 will be eligible to retire in the next five years. In response, DOL launched three programs: the SES Candidate Development Program, the Management Development Program (MDP), and the MBA Fellows Program.

All DOL succession planning programs included the following elements:

- ▶ Training to develop executive core qualifications (ECQs);
- ▶ Individual mentoring;
- ▶ Rotational assignments; and
- ▶ Developmental plans.

#### The SES Program

DOL created its first SES Candidate Development Program in FY 1999. All but one (96 percent) of the first class of twenty-three SES candidates received SES certification. Fifteen were selected for SES positions and the other seven are eligible for appointment. Because most participants in that first class were placed successfully, and DOL projects continued SES retirements, in September 2002

DOL launched a second DOL-wide SES candidate program. Twenty-seven candidates participated in the second program, and will begin obtaining certification in October 2003.

#### The MDP

DOL created the Management Development Program for mid-level employees (GS 12/13/14) to ensure it will have leaders with management skills necessary for the 21st Century workforce. DOL piloted the MDP successfully in FY 2001. Of the eight participants that completed the pilot program, six have been promoted. DOL expanded the MDP DOL-wide in FY 2003, with forty participants selected from seven DOL agencies.

#### The MBA Program

During early FY 2002, DOL began developing a more business-like management approach. Prior to that time, less than one percent of DOL's employees possessed graduate degrees in business-related fields, and few of these employees were in management positions. Under the leadership of Secretary Elaine L. Chao, herself an MBA, DOL embarked on an initiative to recruit individuals possessing marketing, quantitative analysis, and strategic thinking skills, and train them in DOL's many worker protection, compensation, and employment programs.

DOL designed the MBA Fellows program to attract and retain employees with business skills. Secretary Chao launched this program in June 2002. DOL hires MBAs under the career intern hiring flexibility, and also uses other pay flexibilities, such as recruitment bonuses.

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Our leaders and managers effectively manage people, ensure continuity of leadership, and sustain a learning environment that drives continuous improvement in performance.

Leadership and Knowledge Management



## Our Human Capital Standards for Success and Strategic Initiatives

In FY 2003, DOL hired thirty MBA Fellows. These Fellows currently are working throughout DOL on projects such as building partnerships with private sector businesses and implementing the PMA. In addition, the Fellows are identifying barriers to organizational effectiveness in DOL components and representing DOL at intergovernmental meetings.

In addition to the MBA Fellows program, DOL has targeted outreach toward hiring mid-level MBAs. For example, Secretary Chao sent a letter to MBA alumni organizations encouraging applications from their members. Further, DOL markets to well-known MBA business associations and publications.

### Knowledge Management

The rising retirement rate for DOL employees, and managers in particular, is leading to a potential loss of institutional knowledge. "Knowledge management" is DOL's strategy to preserve institutional knowledge and to get the right knowledge to the right people at the right time. DOL intends to help people share information and put it into action in ways that improve organizational performance.

As one important way to manage institutional knowledge and encourage succession planning, DOL created the Mentoring Program. The Mentoring Program is an opportunity for employees to participate in a 12-month, structured mentoring relationship. Employees at grades GS-13 and higher serve as

mentors to employees at grades 11, 12, and 13. Mentoring pairs are trained in establishing effective mentoring relationships.

DOL piloted its first mentoring program in 2001. In May 2003, at the Asian Pacific American Career Development Summit, Secretary Chao launched the current DOL-wide mentoring program. In 2003, DOL had a total of 118 mentoring pairs.

DOL's other current knowledge management initiatives include the following:

- ▶ The LaborNet Advisor -- an interactive system that provides information for employees about their benefits as Federal employees. The Advisor now contains a leave benefits component, and DOL is expanding the Advisor to include all benefits.
- ▶ The DOL Employee Handbook -- an online tool to help employees learn about benefits, rights, and responsibilities as DOL employees. The Handbook is a web-based tool updated with the latest changes and information.
- ▶ A competency initiative to close skill gaps in mission-critical occupations (see "Talent," p. 14).

### Strategic Initiatives

**C.1 We will maintain SES and mid-level management development and training programs based on succession planning needs.**

DOL will initiate new SES Candidate and MDP classes every three years, setting the number of class participants to ensure that the pool of graduates is sufficient to meet projected demand created by management turnover.

**C.2 We will continue the MBA Fellows Program.**

DOL will establish new MBA Fellows classes annually, so long as the need persists, and will design class sizes to meet the demand for business skills.

**C.3 We will continue the mentoring program.**

DOL will continue to establish new mentoring groups annually and recruit more participants DOL-wide.

**C.4 We will launch the "DOL Supervisor's Toolbox."**

The DOL Supervisor's Toolbox will be an online reference tool for managers. Users will be able to access frequently asked questions and current topics in people and operations management, covering areas as diverse as timesheet entry and sexual harassment.

**C.5 We will pilot the use of exit and entrance surveys.**

Exit and entrance surveys, for departing and new employees, respectively, have been shown to be a useful tool to assist in knowledge management. DOL plans to conduct pilots of such surveys during FY 2004. ■

## Results-Oriented Performance Culture

### Progress

#### Diversity

DOL has a structured outreach program that has helped increase its workforce diversity over the past several years. As a result, DOL exceeds most measures of diversity, when compared to Federal government averages. (See Chart 1.) DOL is increasing representation of Hispanics, Asian Americans/ Pacific Islanders, and women, and removing pockets of under-representation in management and mission-critical occupations. DOL evaluates and identifies under-representation in mission-critical occupations on an annual basis.

To increase diversity, DOL actively recruits at colleges and universities. DOL also recruits at national job fairs and conferences, as they typically attract large numbers of individuals from targeted populations. Further, DOL works with special emphasis groups, and sponsors or participates in forums, conferences and summits designed to promote diversity. For example, Secretary Chao sponsored two government-wide Asian Pacific American Career Development Summits.

#### Performance Culture

DOL aligned all employees' performance rating cycles to coincide with the fiscal year, beginning October 1, 2003. This facilitates cascading to employees at all levels the performance goals from strategic and annual performance plans. The common

cycle, performance goals, and managerial competencies provide for leadership accountability to ensure a results-oriented and high-performing workforce. DOL has improved its awards program to recognize more significantly excellent performance. For example, since FY 2001, DOL has increased the bonus pool for SES and Senior Level executives three times. In addition, in FY 2003, DOL increased the bonus pool for other DOL employees for the first time since 1984.

### Strategic Initiatives

#### D.1 We will increase diversity DOL-wide and increase specific representation in management and mission-critical occupations.

DOL will take the following actions to accomplish this goal:

- ▶ Actively recruit at colleges and universities with diverse student populations, including Historically Black Colleges and Universities, Tribal Colleges and Universities, Hispanic Serving Institutions, women's institutions, and Asian organizations;
- ▶ Develop additional marketing and recruitment materials with broad appeal (for example, DOL will publish materials in Spanish); and
- ▶ Continue to sponsor forums, conferences and summits aimed at targeted groups.

## Human Capital Standard

We have a diverse, results-oriented, high performance workforce, and have a performance management system that effectively differentiates between high and low performance, and links individual/team/unit performance to organizational goals and desired results.

Results-Oriented Performance Culture

## Our Human Capital Standards for Success and Strategic Initiatives

**D.2** We will link performance management systems to programmatic performance goals.

Already, DOL has placed all managers on performance plans that include both basic management competencies and performance goals tied to DOL's organizational goals.

To ensure the goals in managers' performance plans are cascaded down to non-supervisory employees, DOL will provide guidance to supervisors at the beginning of each appraisal cycle.

**D.3** We will improve our performance management and awards programs.

DOL will monitor and produce an annual report on its use of awards. This report will be useful to ensure maximum use of awards pools. ■



## Talent

### Progress

Historically, DOL focused on traditional knowledge, skills and abilities (KSAs). These KSAs often did not adequately differentiate superior performers from average performers.

“Competencies” address the total person. By using competency-based HR tools, DOL will improve productivity and effectiveness in its human resources management practices. DOL has launched a competency initiative that focuses on the following:

- ▶ **Selection:** DOL is developing and using behavioral interview questions to help supervisors focus on critical factors that distinguish superior performers from average performers. In this way, DOL is matching more precisely the person selected with the job.
- ▶ **Training and development:** DOL is identifying training and development activities to enhance specific desired competencies. By focusing development resources on particular competencies, DOL is encouraging superior performance and maximizing return on investment.
- ▶ **Workforce planning:** DOL is assessing employees’ competencies and comparing them with the competency levels needed. This enables DOL to measure and close competency gaps at all staff levels.

### Competency Models

DOL has developed competency models that contain the general and technical competencies required at various proficiency levels (entry, journey, senior and expert). These competency models identify and define a particular competency, and, for each competency, set forth the following:

- ▶ Benchmarks (standards by which work is measured at each proficiency level);
- ▶ Selection indicators; and
- ▶ Developmental indicators.

As of September 30, 2003, DOL had competency models in place for all mission-critical occupations. DOL is developing an online competency assessment tool to facilitate use of these competency models.

### Strategic Initiatives

#### E.1 We will use competency models for a competency-based approach to training, recruitment and selection.

DOL is launching an online competency assessment tool in FY 2004. This tool allows skills assessments by employees and their supervisors, identifies development needs, and links to relevant training programs. The tool also includes structured interview questions that can be used with an online recruitment system.

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We have closed most mission-critical skills, knowledge, and competency gaps/deficiencies, and have made meaningful progress toward closing all gaps.

Talent



## Our Human Capital Standards for Success and Strategic Initiatives

**E.2** We will launch an online guide for HR practitioners and supervisors.

Early in FY 2004, DOL will provide to managers and human resources practitioners an online guide for the competency models and the online competency assessment tool. DOL also will provide additional training.

**E.3** We will expand our talent pool by strategically using HR flexibilities and special hiring authorities.

DOL is promoting and using special hiring authorities and programs designed to bring new people into the government, including the career intern program, bilingual hiring authority to meet mission needs, various student authorities (such as the Student Career Employment Program), and pay flexibilities (such as recruitment bonuses). DOL is promoting these flexibilities at various special events throughout the year, and is tracking use of these flexibilities through administrative systems. ■



## Accountability

### Progress

In conjunction with OPM, DOL conducts regular accountability reviews of its human resources programs. In addition, DOL developed PMA scorecards, modeled on the OMB-PMA scorecard, for each DOL agency. Semi-annually, DOL evaluates each major DOL agency on its progress against the objectives of the PMA, including human capital management.

DOL's Human Capital Strategic Plan includes an HR metrics system that provides high-level measurements to evaluate the effectiveness of HR services. The Addendum summarizes these metrics.

Through this DOL-wide Strategic Plan and a common metrics system, DOL will maintain accountability for all its HR programs and human resource offices.

### Strategic Initiatives

**F.1 We will improve our accountability system by using a metrics plan, accountability reviews, and methods for measuring progress.**

The HR metrics plan includes (1) a list of the high-level metrics DOL will use to evaluate success on each of OPM's Human Capital Standards for Success, (2) strategies required to implement those metrics, and (3) development of web-based reporting tools that will provide managers with regular access to the metrics. In addition, DOL will continue to

use the DOL agencies' human capital scorecards semi-annually to measure progress toward meeting the PMA.

**F.2 We will share best practices across DOL, working together to resolve scorecard and other issues.**

DOL's human resources offices collaborate on developing best practices and other methods for improving DOL-wide performance on human capital issues. DOL shares best practices, identified through the agency scorecard reviews, among its agencies.

**F.3 We will administer the Federal Human Capital Survey (FHCS).**

DOL administers the FHCS biennially, and will provide key metrics for evaluating human capital management at DOL. ■

## Human Capital Standard

Our human capital decisions are guided by a data-driven, results-oriented planning and accountability system.

Accountability

